

REVENUE - STATE

State support for the operation of the public schools is derived primarily from the Basic State Aid appropriation. The sum appropriated to each school division from this source is based on the application of an established cost-per-pupil (for each locality) as determined by the state for each pupil in average daily membership (ADM). This sum, minus the state sales and use tax, and the ability of the locality to support its public schools establishes the contribution by the state. Additional state aid is received in other categories according to specific guidelines established by the State Department of Education. Major sources of state revenue are highlighted below.

Basic Aid: Funding is established at \$5,104 per pupil in average daily membership minus the state sales and use tax, and the local share based on the financial ability of the locality (composite index at .3465) as prescribed by the state formula. Funding was \$5,384 per pupil for 2009-2010. The decrease in funding is attributed to: (1) the continuation of the state funding cap for support positions, (2) a reduction in sales tax estimates, (3) the use of federal ARRA State Fiscal Stabilization Funds (SFSF) to replace state basic aid costs, and (4) a proration of the Health Insurance costs for SOQ provisions for each division.

State Sales Tax: The state annually distributes to the school system a portion of the state sales tax revenue (1-1/8%) designated for the support of public education. The amount received each year is determined by the amount of total state collections and the triennial school census. The budgeted sales tax amount for 2010-2011 is based on an estimate by the state Department of Taxation of Chesapeake's share of statewide sales tax revenue.

Textbooks: Funding is established at \$52.54 per pupil in average daily membership minus the local share based on the financial ability of the locality as prescribed by the state formula. Funding is based on a system of free textbooks. Funding was originally budgeted at \$118.52 per pupil, but was later eliminated for 2009-10.

Career and Technical Education: Funding is established at \$118 per pupil in average daily membership minus the local share based on the financial ability of the locality as prescribed by the state formula. A portion of the revenue in this category results from state support for adult education, occupational and technology education, and for on-site administration of a career and technical education high school. Funding was \$114 per pupil for 2009-2010.

Gifted and Talented: Funding is established at \$45 per pupil in average daily membership minus the local share based on the financial ability of the locality as prescribed by the state formula. Funding was \$45 per pupil for 2009-2010.

Special Education: Funding is established at \$647 per pupil in average daily membership minus the local share based on the financial ability of the locality as prescribed by the state formula. Funding was \$618 for 2009-2010. Additionally, a portion of the revenue in this category results from state support for homebound instruction, foster home children, and regional tuition payments.

Remedial Education: Funding is established at \$68 per pupil in average daily membership minus the local share based on the financial ability of the locality as prescribed by the state formula. Funding was \$68 per pupil for 2009-2010.

VRS Contribution, Social Security Benefits, and Group Life Insurance: The state share of each payment is based upon a per-pupil amount for each student in average daily membership minus the local share based on the financial ability of the locality. The per-pupil amounts for 2010-2011 are as follows: VRS - \$154; FICA \$260; Group Life - \$10. The employer VRS rate decreases from 8.81% in 2009-2010 to 3.93%. Group Life decreases from .79% to .28%. The professional Retiree Health Care Credit employer cost declines from 1.04% to .60%. Funding for 2009-2010 was VRS - \$250; FICA - \$259; Group Life - \$7.

REVENUE - STATE

(continued)

ESL: Funding has been included to assist with students who speak English as a second language. The funding formula is based on the number of students served minus the local share based on the financial ability of the locality as prescribed by the state formula.

Remedial Summer School: Funding is established at \$458 per remedial student attending elementary or secondary summer school minus the local share based on the financial ability of the locality as prescribed by the state formula. For 2009-2010, funding was \$466 per remedial student.

At Risk: Special funding is included to support programs for students who are educationally at risk. Funding is provided based on a percentage of students in Chesapeake who are eligible for the free lunch program.

Early Reading Intervention: Funding is provided for early intervention services to primary grade students. The number of eligible students is determined by PALS (Phonological and Literacy Screening) diagnostic test or free lunch eligibility if PALS is not available.

Enrollment Loss: Funding is eliminated in 2010-2011.

K-3 Primary Class Size: Funding is included to reduce class size in grades K-3 below the required SOQ standard for schools with free lunch eligibility of 16% and greater. The pupil teacher ratios funded range from 14:1 to 20:1, with the lower ratios provided at schools with higher free lunch percentages.

SOL Algebra Readiness: Funding is provided for math intervention services to students in grades 7 and 8 who are at risk of failing the Algebra I test given at the end of the course.

Mentor Teacher Program: Funding is provided for experienced teachers to provide assistance and support to new teachers.

Lottery Proceeds: The balance of lottery funds (after allocations to other programs) are directly allocated on a per pupil basis (\$52.05 in 2010-2011) under the title of "Additional Support for School Construction and Operating Costs". There are no restrictions on spending either on construction or operations.

Forest Reserve: The U.S. Fish and Wildlife and Minerals Management Service distribute funds generated from the leasing of lands required for flood control and navigation. In Virginia these funds are used in support of public education. The projected revenue is based on actual receipts in 2008-2009.

Local Share: Calculated by the state for each school division. The local share requirement is directly tied to state support for education. Local share for 2010-2011 is projected at \$72,917,098.

Salary Supplement: A salary supplement is not funded for 2010-2011.

School Construction: Funding is eliminated for 2010-2011

REVENUE - STATE					
REVENUE ACCOUNT	2008-2009 BUDGET	2008-2009 REVENUE	2009-2010 BUDGET	2010-2011 BUDGET	INCREASE/ DECREASE
Basic Aid	131,284,977	134,448,240	120,736,342	100,353,029	-20,383,313
State Sales Tax	42,321,424	38,486,531	38,376,185	36,554,242	-1,821,943
Textbooks	3,188,989	3,211,719	3,183,781	1,329,594	-1,854,187
Career and Technical Education	3,395,070	3,296,726	3,279,274	3,200,488	-78,786
Gifted and Talented	1,210,804	1,219,434	1,208,827	1,138,785	-70,042
Special Education	23,985,434	24,202,376	24,150,004	24,310,205	160,201
Remedial Education	1,829,660	1,842,701	1,826,672	1,720,830	-105,842
VRS Contributions	9,079,765	9,078,010	8,945,318	3,897,174	-5,048,144
FICA Contributions	6,968,851	7,018,521	6,957,470	6,579,644	-377,826
Group Life Insurance	295,974	298,084	241,765	253,063	11,298
ESL	326,379	338,225	350,612	327,355	-23,257
Remedial Summer School	1,679,368	1,663,833	1,659,304	1,277,725	-381,579
At Risk	1,044,609	1,052,050	958,925	1,067,076	108,151
Reading Intervention	481,500	432,280	430,140	464,629	34,489
Enrollment Loss	1,042,678	365,635	713,213	0	-713,213
Class Size	2,226,700	2,239,286	2,230,332	1,994,520	-235,812
SOL Algebra Readiness	264,622	264,622	262,391	262,663	272
Mentor Teacher Program	0	0	22,930	17,506	-5,424
Lottery Proceeds	6,410,805	5,382,738	2,441,024	0	-2,441,024
Forest Reserve Payments	1,800	1,275	600	600	0
Miscellaneous	0	82,451	0	0	0
Salary Supplement	0	0	0	0	0
School Construction	660,350	660,492	0	0	0
Composite Index Hold Harmless 2011	0	0	0	11,086,597	11,086,597
TOTALS	237,699,759	235,585,229	217,975,109	195,835,725	-22,139,384

REVENUE - FEDERAL

This revenue is anticipated from the federal government for our students that are federally connected. A federally connected student is one whose parents either 1) live and work on federal property, or 2) live or work on federal property.

For 2010-2011, the total amount of funding is projected at \$3,000,000.

REVENUE - FEDERAL

REVENUE ACCOUNT	2008-2009 BUDGET	2008-2009 REVENUE	2009-2010 BUDGET	2010-2011 BUDGET	INCREASE/ DECREASE	INCREASE/ DECREASE
Aid to Federally Impacted Areas	3,250,000	4,452,390	3,000,000	3,000,000	0	0
TOTALS	3,250,000	4,452,390	3,000,000	3,000,000	0	0

REVENUE - GENERAL FUND

Local support for the operation of the public schools is derived primarily from a general fund appropriation from the city. The general fund appropriation is comprised of money from local tax collections.

REVENUE - OTHER LOCAL

Other local funds are derived from sources generated by the school division such as rent, tuition, printing, and recoveries and rebates.

Rent: Revenue resulting from building and property rental.

Sale of Materials: Charges for transcripts and lost diplomas.

Printing: Revenue resulting from the sale of printing services to the city, schools, and other governmental agencies.

Tuition - Regular: Tuition charges for nonresident pupils and pupils from the Southeastern Virginia Training Center.

Tuition - Summer School: 2010-2011 tuition charges for secondary pupils attending summer school will be:

Chesapeake Resident 8-week Regular Program - \$300
Nonresident of Chesapeake, 8-week Regular Program - \$500
Driver Education (behind the wheel) - \$200

Tuition - Adult Education: Changes to the Adult Education program include:

1. Mandatory minimum class size (10)
2. Increased tuition for classes:
 - a. computer (from \$2 to \$5 per instructional hour)
 - b. special interest, T & I, and Nurse Assistant classes (from \$2 to \$3.50 per instructional hour)
3. Change Gold Card Program over 4 years as follows:
 - a. 2010-2011 – charge \$10 for Gold Card
 - b. 2011-2012 – charge \$10 for Gold Card and 25% of normal tuition
 - c. 2012-2013 – charge \$10 for Gold Card and 50% of normal tuition
 - d. 2013-2014 – charge \$10 for Gold Card and 75% of normal tuition

Insurance Claims: Insurance recoveries for damage to school property.

Recoveries and Rebates: Revenue resulting from miscellaneous sources (e.g., reimbursement for vandalized property, refunds for jury duty, worker compensation payments, planetarium fees, and ROTC reimbursement).

Sale of Equipment: Sale of obsolete service vehicles, school buses, and equipment.

REVENUE - LOCAL

REVENUE ACCOUNT	2008-2009 BUDGET	2008-2009 REVENUE	2009-2010 BUDGET	2010-2011 BUDGET	INCREASE/ DECREASE
General Fund	185,006,949	181,871,451	173,343,767	166,488,283	-6,855,484
Other Local					
Rent	1,450,000	1,128,784	1,450,000	1,294,000	-156,000
Sale of Materials	3,000	2,734	3,000	3,000	0
Printing	198,000	193,404	198,000	198,000	0
Tuition - Regular School	30,000	49,462	30,000	30,000	0
Tuition - Summer School	210,000	204,504	395,800	395,800	0
Tuition - Adult Education	113,000	123,841	113,000	163,000	50,000
Insurance Claims	40,000	67,741	40,000	40,000	0
Recoveries and Rebates	505,000	1,105,361	505,000	505,000	0
Sale of Equipment	30,000	42,336	30,000	30,000	0
Driver Education Fee	147,000	170,154	305,400	362,120	56,720
Other Local Total	2,726,000	3,088,321	3,070,200	3,020,920	-49,280
LOCAL REVENUE TOTAL	187,732,949	184,959,772	176,413,967	169,509,203	-6,904,764

BUDGET SUMMARY - REVENUE

REVENUE SOURCE	2008-2009 BUDGET	2008-2009 REVENUE	2009-2010 BUDGET	2010-2011 BUDGET	INCREASE/ DECREASE
State	237,699,759	235,585,229	217,975,109	195,835,725	-22,139,384
Federal	3,250,000	4,452,390	3,000,000	3,000,000	0
Local:					
General Fund	185,006,949	181,871,451	173,343,767	166,488,283	-6,855,484
Other	2,726,000	3,088,321	3,070,200	3,020,920	-49,280
Local Total	187,732,949	184,959,772	176,413,967	169,509,203	-6,904,764
GRAND TOTALS	428,682,708	424,997,391	397,389,076	368,344,928	-29,044,148